



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 50 2018 (ending 14/12/2018)

**“Anyone who believes that men are the equal of women has never seen a man trying to wrap a present.” – Publilius Syrus (85 – 43 BC)**

**Irish residential property prices rose by 8.4% y-o-y in October** – Latest figures from the CSO show that national level residential property prices increased by 8.4% year-on-year in October, with Dublin prices up by 6.3%, the Rest of Ireland by 10.6% and Mid-West region house prices showing the largest rise at 21.5%.

**Irish exports increase 33% y-o-y in October with imports up 26%** – Latest figures from the Central Statistics Office show value of goods exported for October 2018 showed an increase of 33% when compared with October 2017 (with exports to Great Britain increasing by 2%) and imports increased by 26% on the year.

**Global stock market down 0.8% on the week** – The MSCI AC World TR Index showed a -0.78% return from 7th December to 14th December, as fears of a slowdown in the Chinese, Japanese and some of the major eurozone economies grew. The Vix (CBOE Volatility Index) closed the week at 21.63, down from 23.23.

**Brexit drama continues as PM May leaves EU summit empty handed** – Prime Minister Theresa May survived the Conservative Party leadership challenge but suffered a major rebuff at the EU summit as European leaders rejected her request for a formal hard time limit to the so-called Brexit “Irish backstop”.

**ECB reduces its 2019 growth / inflation forecasts by 0.1%** – The European Central Bank at its latest rate setting meeting is now projecting GDP to be at 1.9% in 2018 (previously 2.0%) and 1.7% in 2019 (1.8% previously) with inflation now expected at 1.8% in 2018 (1.7% previously) and 1.6% in 2019 (1.7% previously).

**Italy’s government lowers its 2019 budget deficit target to 2.04%** – Italian Premier Giuseppe Conte has proposed a compromise with the European Commission after a meeting with Jean-Claude Juncker by reducing its deficit target to 2.04% for 2019 instead of the 2.4% previously proposed which had been rejected.

**The Story of the week:** Footage of an artificial intelligence robot that Russian state television used as an example of the country's technological prowess has been exposed as a man wearing a robot suit. The Rossiya 24 news channel broadcast footage of what it presented as Boris the dancing, singing robot at a technology forum for school pupils but viewers and other journalists soon spotted some human-like movements together with other ‘fake’ discrepancies."

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# Index Performances and Market Data\*

<b>Equity and Bond Markets % (in Local Currency)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD (to 14/12)</b>
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	-4.2
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-20.4
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-7.3
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-9.4
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	-0.9
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	0.1
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-6.1
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-11.1
Eurozone Government Bonds 1-5 yr	2.1	3.4	1.0	0.9	-0.2	-0.1
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
U.S.	3.0	2.2	2.2	2.4	2.4	2.9
German	1.9	0.5	0.6	0.2	0.4	0.2
UK	3.0	1.9	1.9	1.2	1.2	1.2
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	0.9
Italy	4.1	2.1	1.6	1.8	2.0	2.9
Greece	8.2	9.6	7.9	7.1	4.1	4.2
Portugal	6.1	2.7	2.5	3.8	1.9	1.6
Spain	4.1	1.6	1.7	1.4	1.6	1.4
<b>Central Bank Rates (%)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.75
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	2.25
<b>Foreign Exchange Rates</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.13
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.90
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.26
<b>IPD All Property Return % (in Local Currency)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
Ireland	12.3	36.1	25.1	12.6	8.1%	5.5% (To end of Q3)
U.K.	10.9	17.9	13.3	3.6	10.3%	3.7% (To end of Q3)
U.S.	11.6	11.5	12.5	7.7	7.1%	3.7% (To end of Q3)

\*Past performance is not a reliable guide to future performance and may fall as well as rise.